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USSR Report

INTERNATIONAL ECONOMIC RELATIONS

No. 54

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27 April 1983

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USSR WORLD TRADE

USSR FOREIGN TRADE DATA FOR 1982 PUBLISHED

Moscow FOREIGN TRADE in English No 3, Mar 83 insert

[Text]

Soviet Foreign Trade by Groups of Countries

(mln rubles)

		January — December				January — December	
		1981	1982			1981	1982
Total	Turnover	109739,2	119576,0	Industrial	Turnover	35358,7	37741,4
	Export	57107,8	63165,0	capitalist	Export	17247,0	18849,0
	Import	52631,4	56411,0	countries	Import	18111,7	18892,4
Socialist	Turnover	57933,9	64952,0				
countries	Export	31191,5	34136,2				
	Import	26742,4	30815,8				
including:							
CMEA	Turnover	52185,3	58702,3	Developing	Turnover	16446,6	16882,6
member	Export	28566,4	31149,9	countries	Export	8669,3	10179,8
countries	Import	23618,9	27552,4		Import	7777,3	6702,8

Soviet Foreign Trade by Countries*

(mln rubles)

Countries		January — December		Countries		January — December	
		1981	1982			1981	1982
Europe:				Hungary	Turnover	6607,1	7453,6
Austria	Turnover	1361,0	1209,8		Export	3306,7	3707,2
	Export	853,6	674,5		Import	3300,4	3746,4
	Import	507,4	535,3	German	Turnover	10680,7	12195,8
Belgium	Turnover	1196,4	1604,5	Democratic	Export	5526,1	6419,6
	Export	746,6	1031,8	Republic	Import	5154,6	5776,2
	Import	449,8	572,7	Greece	Turnover	637,4	655,1
Bulgaria	Turnover	8071,4	9172,7		Export	537,9	532,7
	Export	4374,5	4884,6		Import	99,5	122,4
	Import	3696,9	4288,1	Denmark	Turnover	460,0	363,6
Great	Turnover	1503,6	1565,1		Export	251,7	299,5
Britain	Export	645,2	812,8		Import	208,3	64,1
	Import	858,4	752,3	West Berlin	Turnover	329,0	348,6
					Export	247,3	268,7
					Import	81,7	79,9

* The countries are given in the Russian alphabetical order.

Supplement to the *Foreign Trade* journal. Editorial office address:
11, Minskaya Street, Moscow, 121108, USSR. Telephone: 145-68-94

Countries		January — December		Countries		January — December	
		1981	1982			1981	1982
Ireland	Turnover	89,9	79,2	Switzerland	Turnover	828,0	963,6
	Export	18,6	16,9		Export	330,9	553,0
	Import	71,3	62,3		Import	497,1	410,6
Iceland	Turnover	112,5	105,4	Sweden	Turnover	637,7	754,2
	Export	71,5	63,1		Export	291,2	409,2
	Import	41,0	42,3		Import	346,5	345,0
Spain	Turnover	649,4	325,7	Yugoslavia	Turnover	5005,5	5279,0
	Export	274,2	159,4		Export	2227,4	2483,5
	Import	375,2	166,3		Import	2778,1	2795,5
Italy	Turnover	3486,0	4043,2	Asia:			
	Export	2484,0	2821,0	Afghanistan	Turnover	655,8	691,0
	Import	1002,0	1222,2		Export	339,2	412,5
Liechtenstein	Turnover	9,4	8,2		Import	316,6	278,5
	Export	1,4	0,7	Bangladesh	Turnover	53,4	54,9
	Import	8,0	7,5		Export	28,7	27,6
Luxembourg	Turnover	10,5	23,3		Import	24,7	27,3
	Export	4,0	3,0	Burma	Turnover	31,4	9,9
	Import	6,5	20,3		Export	9,3	8,8
Netherlands	Turnover	1477,5	1863,9		Import	22,1	1,1
	Export	1019,1	1504,6	Vietnam	Turnover	891,8	1010,7
	Import	458,4	359,3		Export	724,6	804,2
Norway	Turnover	147,7	165,1		Import	167,2	206,5
	Export	52,1	92,9	India	Turnover	2397,9	2514,0
	Import	95,6	72,2		Export	1064,1	1040,2
Poland	Turnover	8152,1	8909,9		Import	1333,8	1473,8
	Export	4931,3	4812,9	Indonesia	Turnover	93,1	53,8
	Import	3220,8	4097,0		Export	34,1	34,4
Portugal	Turnover	183,3	87,9		Import	59,0	19,4
	Export	146,1	45,0	Jordan	Turnover	20,9	90,7
	Import	37,2	42,9		Export	20,4	90,5
Romania	Turnover	3452,2	3107,0		Import	0,5	0,2
	Export	1779,1	1423,6	Iraq	Turnover	909,4	994,1
	Import	1673,1	1683,4		Export	905,5	975,9
Federal Republic of Germany	Turnover	60 09,3	6629,7		Import	3,9	18,2
	Export	3387,9	3796,6	Iran	Turnover	878,5	766,0
	Import	2621,4	2833,1		Export	409,0	577,3
Finland	Turnover	5013,4	5378,6		Import	469,5	188,7
	Export	2290,1	2580,8	Yemen Arab Republic	Turnover	22,9	34,4
	Import	2723,3	2797,8		Export	22,5	34,1
France	Turnover	4189,3	3495,1		Import	0,4	0,3
	Export	2524,4	2227,7	People's Democratic Republic of Yemen	Turnover	98,9	73,0
	Import	1664,9	1267,4		Export	92,8	67,1
Czechoslovakia	Turnover	8487,1	9779,4		Import	6,1	5,9
	Export	4382,3	5047,5				
	Import	4104,8	4731,9				

Countries		January — December		Countries		January — December	
		1981	1982			1981	1982
Cyprus	Turnover	42,5	49,1	Sri Lanka	Turnover	24,0	21,1
	Export	25,8	29,5		Export	2,8	3,1
	Import	16,7	19,6		Import	21,2	18,0
China	Turnover	176,8	223,5	Japan	Turnover	3029,5	3682,4
	Export	82,6	120,1		Export	816,8	756,6
	Import	94,2	103,4		Import	2212,7	2925,8
Korean	Turnover	529,2	681,0	<i>Africa:</i>			
People's Demo-	Export	278,9	318,5	Algeria	Turnover	197,5	178,5
cratic Republic	Import	250,3	362,5		Export	113,3	132,4
Laos	Turnover	37,1	66,2		Import	84,2	46,1
	Export	36,2	64,2	Angola	Turnover	115,1	64,4
	Import	0,9	2,0		Export	107,0	61,0
Lebanon	Turnover	22,9	23,9		Import	8,1	3,4
	Export	14,8	17,5	Benin	Turnover	2,0	2,9
	Import	8,1	6,4		Export	1,6	2,4
Malaysia	Turnover	190,0	250,6		Import	0,4	0,5
	Export	15,0	15,9	Ivory Coast	Turnover	103,0	70,5
	Import	175,0	234,7		Export	1,1	1,0
Mongolian	Turnover	1035,9	1232,7		Import	102,0	69,9
People's	Export	787,3	918,9	Ghana	Turnover	39,0	37,4
Republic	Import	248,6	313,8		Export	0,3	0,4
Nepal	Turnover	22,0	23,8		Import	38,7	37,0
	Export	20,0	22,1	Guinea	Turnover	84,0	43,9
	Import	2,0	1,7		Export	20,9	15,4
Pakistan	Turnover	124,6	142,0		Import	63,1	28,5
	Export	76,3	71,4	Egypt	Turnover	511,3	520,7
	Import	48,3	70,6		Export	244,0	218,6
Saudi Arabia	Turnover	25,5	14,3		Import	267,3	302,1
	Export	25,5	14,3	Cameroun	Turnover	22,1	14,0
	Import	-	-		Export	3,0	3,3
Singapore	Turnover	117,2	71,4		Import	19,1	10,7
	Export	49,0	30,6	People's	Turnover	12,4	12,4
	Import	68,2	40,8	Republic	Export	6,9	8,4
Syria	Turnover	530,0	511,6	of the Congo	Import	5,5	4,0
	Export	278,5	210,8	Libya	Turnover	551,1	1346,9
	Import	251,5	300,8		Export	189,9	221,1
Thailand	Turnover	320,4	141,8		Import	361,2	1125,8
	Export	8,0	8,9	Morocco	Turnover	261,1	194,7
	Import	312,4	132,9		Export	126,9	136,1
Turkey	Turnover	448,4	248,2		Import	134,2	58,6
	Export	318,4	152,8	Mozambique	Turnover	37,0	50,9
	Import	130,0	95,4		Export	35,7	44,2
Philippines	Turnover	157,5	93,6		Import	1,3	6,7
	Export	0,5	13,1				
	Import	157,0	80,5				

Countries		January — December		Countries		January — December	
		1981	1982			1981	1982
Nigeria	Turnover	176, 4	279,0	Colombia	Turnover	15, 4	20, 2
	Export	156,9	265,1		Export	3,3	6,8
	Import	19,5	13,9		Import	12, 1	13,4
Sudan	Turnover	39,5	9, 2	Cuba	Turnover	4807,0	5840,5
	Export	1,4	0,4		Export	2754,5	3131,4
	Import	38,1	8,8		Import	2052,5	2709,1
Sierra Leone	Turnover	10,3	9,8	Mexico	Turnover	22,7	28,8
	Export	6,8	1,8		Export	4,0	7,8
	Import	3,5	8,0		Import	18,7	21,0
Tanzania	Turnover	12,3	10,8	Panama	Turnover	21,6	8,2
	Export	2,1	3,9		Export	21,6	8,2
	Import	10,2	6,9		Import	-	-
Tunisia	Turnover	15,1	11,2	Peru	Turnover	35,2	25,2
	Export	12,7	6,1		Export	13,0	14,5
	Import	2,4	5,1		Import	22,2	10,7
Ethiopia	Turnover	156,3	195,5	United States of America	Turnover	1845,4	2226,4
	Export	136,2	182,3		Export	183,4	154,8
	Import	20,1	13,2		Import	1662,0	2071,6
<i>Americas:</i>				Uruguay	Turnover	51,7	53,2
Argentina	Turnover	2402,9	1292,9		Export	1,8	1,0
	Export	30,6	27,5		Import	49,9	52,2
Bolivia	Import	2372,3	1265,4	<i>Australia and Oceania:</i>			
	Turnover	21,5	21,9	Australia	Turnover	549,3	523,2
	Export	9,8	2,8		Export	11,2	13,6
Brazil	Import	11,7	19,1		Import	538,1	509,6
	Turnover	550,2	595,4	New Zealand	Turnover	174,4	237,4
	Export	16,3	179,9		Export	6,5	7,7
Canada	Import	533,9	415,5		Import	167,9	229,7
	Turnover	1426,4	1398,8				
	Export	49,5	20,7				
	Import	1376,9	1378,1				

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USSR WORLD TRADE

EXCHANGE RATES FOR 1 MARCH 1983 PUBLISHED

Moscow EKONOMICHESKAYA GAZETA in Russian No 10, Mar 83 p 22

[Bulletin of Foreign Currency Exchange Rates from USSR State Bank, with commentary by Ye. Zolotarevko]

[Text]

Currency Denomination	Country	For Amount	Exchange Rate for Rubles
Dollar	Australia	100	69.40
Schilling	Austria	100	4.27
Lek	Albania	100	18.00
Dinar	Algeria, Democratic and Popular Republic of	100	15.43
Pound Sterling	England	100	110.21
Feso	Argentina	10,000	0.13
Afghani	Afghanistan	100	1.42
Franc	Belgium	100	1.52
Kyat	Burma	100	9.41
Lev	Bulgaria	100	76.92
Forint	Hungary	100	7.67
Dong	Vietnam, Socialist Republic of	100	30.60
Sed	Ghana	100	26.00
Sil	Guinea	100	3.13
Mark	GDR	100	40.50
Deutsche Mark	FRG	100	29.83
Guilder	Netherlands	100	26.97
Drachma	Greece	100	0.86
Krone	Denmark	100	8.36
Pound	Egypt	1	1.05
Rupee	India	100	7.18
Rupee	Indonesia	1,000	1.03
Dinar	Iraq	1	2.32
Rial	Iran	100	0.86
Krone	Iceland	100	3.67
Peseta	Spain	100	0.55
Lira	Italy	10,000	5.18
Dinar	Yemen, People's Democratic Republic of	1	2.09

Currency Denomination	Country	For Amount	Exchange Rate for Rubles
Rial	Yemen Arab Republic	100	16.09
Dollar	Canada	100	58.57
Yuan	PRC	100	37.35
Won	DPRK	100	74.93
Peso	Cuba	1	0.90
Dinar	Kuwait	1	2.47
Pound	Lebanon	100	18.03
Dinar	Liberia	1	2.48
Ringgit	Malaysia	100	71.69
Franc	Mali	1,000	1.04
Dirham	Morocco	100	11.59
Peso	Mexico	100	0.46
Tugrik	Mongolia	100	22.50
Rupee	Nepal	100	5.07
Dollar	New Zealand	100	52.81
Krone	Norway	100	10.09
Rupee	Pakistan	100	5.51
Zloty	Poland	100	22.50
Escudo	Portugal	100	0.78
Leu	Romania	100	15.00
Dollar	Singapore	100	34.77
Pound	Syria	100	18.73
Shilling	Somali	100	4.26
Dollar	USA	100	72.00
Pound	Sudan	1	0.56
Dinar	Tunisia	1	1.18
Lira	Turkey	100	0.38
Peso	Uruguay	100	2.32
Mark	Finland	100	13.44
Franc	France	100	10.54
Krone	Czechoslovakia	100	12.50
Krone	Sweden	100	9.75
Franc	Switzerland	100	35.53
Rupee	Sri Lanka	100	3.14
Byr	Ethiopia	100	34.70
Dinar	Yugoslavia	100	0.99
Yen	Japan	1,000	3.07

Our Commentary

On 1 March Gosbank changed the rate of exchange for 15 foreign currencies. The exchange rate was lowered for: the Australian dollar; for the Danish, Icelandic and Norwegian krone; for the Spanish peseta, Mexican and Uruguayan peso; the rupee of Nepal and Sri Lanka; the Portuguese escudo; the Swiss franc; and the Yugoslavian dinar. The exchange rate was increased for the Greek drachma, the U.S. dollar and Japanese yen.

During the latter part of February, the world currency and gold markets reflected a reduction of operations, because of the uncertainty of the consequences of the reduction in oil prices which had begun (so far, North Sea and Nigerian oil), and the renewal of discussions among oil-producing countries on extraction limits and the price level.

According to foreign estimates, the reduction in oil prices has a subsidiary effect on the balance of payments of the FRG and Japan, and to a lesser degree on the U.S. balance of payments. However, its influence on the balance of payments of Great Britain, Norway and the developing oil-producing countries, which have very large foreign debts (Mexico and Venezuela), will on the contrary, be negative—which increases the pressure on the international currency system. In connection with this, in Venezuela and certain other countries, conversion of capital to dollars has already taken place, which increases the demand for the latter.

The Central Bank of the FRG has given emergency support to the dollar. In carrying out operations for strengthening the Belgian franc within the framework of the European currency system, it has increased the supply of deutschmarks in the markets.

Finally, one more reason for the temporary increase in demand for dollars was withdrawal of a portion of the funds invested in gold, which led to the drop in price of the latter in two days, from a level of over 500 dollars per ounce to 420 dollars. Such a withdrawal can be explained by the fact that reduction in oil price should lead to a slowdown in the inflation rate in the importing nations, the defense of which also utilizes investment in gold.

9006

CSO: 1825/26

USSR-CMEA TRADE

CMEA STANDING COMMISSION ON FOREIGN TRADE

Communique Reported

Moscow FOREIGN TRADE in English No 3, Mar 83 pp 2-4

[Text]

The CMEA Standing Commission on Foreign Trade held its 64th meeting in Moscow from November 30 to December 3, 1982.

The meeting was attended by delegations from the CMEA member-countries, their leaders being: Kh. Khris-tov, Minister of Foreign Trade of the People's Republic of Bulgaria; R. Cabrisas, Minister of Foreign Trade of Republic of Cuba; B. Urban, Minister of Foreign Trade of the Czechoslovak Socialist Republic; H. Sölle, Minister of Foreign Trade of the German Democratic Republic; P. Veress, Minister of Foreign Trade of the Hungarian People's Republic; Jo. Ochir, Minister of Foreign Trade of the Mongolian People's Republic; T. Nestorowicz, Minister of Foreign Trade of the Polish People's Republic; I. Stojan, Deputy Minister of Foreign Trade and International Economic Cooperation of the Socialist Republic of Romania; N. Patolichev, Minister of Foreign Trade of the Union of Soviet Socialist Republics; Le Khak, Minister of Foreign Trade of the Socialist Republic of Vietnam.

In accordance with the Agreement between the Council for Mutual Economic Assistance and the Government of the Socialist Federal Republic of Yugoslavia, a SFRY delegation headed by K. Aliagic, First Deputy Federal Secretary of Foreign Trade, participated in the meeting.

Representatives of the International Bank for Economic Cooperation and International Investment Bank took part in the work of the Commission.

A one-minute silence was held to honour the late Leonid Ilyich Brezhnev.

At the meeting the Commission discussed problems connected with the implementation of the decisions taken by the 36th CMEA Session and the Executive Committee and approved measures aimed at their realization. The Commission adopted a plan of its work for 1983 and 1984. According to this plan the Commission's attention will be concentrated

on the realization of long-term trade agreements, long-term specific programmes of cooperation, commitments stemming from the agreements included in the Coordinated Plan for Multilateral Integration Measures.

In the first two years of the current five-year period (1981—1985) that have just passed the CMEA countries' mutual trade made good progress, exceeding the volume of deliveries expected under the long-term trade agreements.

The Commission pointed out that at present the full implementation of the long-term trade agreements and annual protocols on mutual deliveries of goods as well as coordination of additional shipments became a matter of paramount importance in the present aggravated external economic situation and in connection with the policy of discrimination and embargo pursued by the imperialist states against the CMEA member-countries.

The plan of work reflects the assistance of foreign trade organizations in fulfilling those comprehensive measures aimed at improving the supply of foodstuffs to the population. Some CMEA bodies are participants in realizing the measures.

Consultations for exchanging experience in planning the CMEA countries' foreign trade are to continue as will the work on price formation, cooperation between foreign trade research institutions, etc.

Under the conditions of putting the CMEA member-countries' economies on an intensive way of development, and promptly introducing advanced engineering and know-how the organization of timely and full provision of spare parts for the machines and equipment delivered in the CMEA member-countries' mutual trade, is acquiring special importance. In this connection the Commission considered the results of work on improving the General Principles of Supplying the CMEA Countries and SFRY with Spare Parts, 1973.

Other matters concerning the CMEA countries' cooperation in foreign trade were also discussed.

The meeting was held in an atmosphere of comradely cooperation and mutual understanding.

The participants visited the exposition, In a Close-knit Family, at the Exhibition of Economic Achievements (Moscow), dedicated to the 60th anniversary of the formation of the Union of Soviet Socialist Republics.

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Meeting Described

Moscow FOREIGN TRADE in English No 3, Mar 83 pp 4-6

[Text]

The CMEA Standing Commission on Foreign Trade at its 64th meeting which completed its work on December 2, 1982, discussed matters furthering and deepening the socialist community countries' cooperation in foreign trade.

At the beginning of the meeting H. Sölle, GDR Foreign Trade Minister, on behalf of the countries' delegations offered sincere condolences upon the death of Leonid Ilyich Brezhnev, faithful continuator of the cause of Lenin, ardent fighter for communism, most prominent political leader and statesman of our time. The participants of the meeting revered the memory of L.I. Brezhnev with a minute of silence.

In the course of the meeting the Commission discussed in detail the tasks stemming from the decisions and recommendations adopted at the 36th CMEA Session and the 104th meeting of the Executive Committee, and outlined specific measures for their implementation.

The Session pointed out that "the further deepening of cooperation and the socialist economic integration, expansion of their mutual productional, scientific, technical and commercial ties play an ever increasing role in developing the CMEA member-countries' national economies."

The CMEA Executive Committee in its report on the activity of the Council for Mutual Economic Assistance between the 35th and the 36th meetings of the Session stressed that in 1981 the work on signing long-term trade agreements for 1981-1985 was completed. Under these agreements the volume of the CMEA member-countries' mutual trade will grow by 62.7 per cent over that recorded under the long-term agreements for 1976-1980. The agreements for the 1981-1985 period envisage outstripping growth rates of machinery and equipment export. The export of the products of the machine-building industry in the CMEA member-countries' mutual trade will grow by almost 47 per cent in 1985 as compared to 1980, while the total export increase will be 36.5 per cent. This demonstrates the growing industrial power of the socialist community countries, the expansion of their mutual technical assistance and successful development of the integration processes.

After the 36th CMEA Session new possibilities for expanding the socialist countries' cooperation in the machine-building industry appeared. As is well known, the leaders of the countries' delegations at the 36th Session, attaching great importance to uniting the countries' efforts in the major directions of the scientific and technical progress, signed general agreements on cooperation in developing and widely utilizing microprocessor engineering in the national economy as well as designing and organizing specialized and cooperated production of industrial robots. A multilateral inter-state agreement on specialization and cooperation in production of items

forming the microelectronic element base for computer facilities, materials and technological equipment for microelectronics was signed. The Session adopted the programme of multilateral cooperation in the sphere of colour television envisaging design and mastering of production based on the international specialization of new types of television sets, picture tubes, equipment for TV studios, video engineering as well as the relevant technological equipment and instrumentation. Implementation of these agreements will promote expansion of the scales and goods range of the mutual trade based on the deepening of cooperation in material production.

The Commission recommended that the countries' foreign trade organizations more actively participate in elaboration of agreements and contracts specifying the sides' mutual commitments resulting from the above documents in the part which is concerned with the mutual goods deliveries.

The recommendations of the 36th meeting of the Session and those of the Executive Committee were reflected in the plan of work of the Commission (its working bodies) for 1983 and 1984 envisaging the specific measures for implementing the Comprehensive Programme of socialist economic integration in the sphere of foreign trade. It will focus attention on the matters of realization of long-term trade agreements for 1981-1985, the commitments on mutual goods deliveries stemming from long-term specific programmes of cooperation and the Coordinated Plan for Multilateral Integration Measures.

In the course of the meeting the Commission pointed out that at present under the aggravated foreign economic situation as well as due to the policy of discrimination and embargo being pursued by the USA and its NATO allies towards the CMEA countries, of especial importance is fulfilment of all commitments under long-term trade agreements and annual protocols on trade turnover within the agreed time periods.

The mutual deliveries of the last two years of the current five-year-plan period witness the successful implementation of the planned programmes of long-term trade agreements. Mutual trade is progressing within the agreed limits. The countries' trade turnover in 1981 and 1982 increased by 22 per cent relative to 1980.

The supply of the CMEA member-countries' population with foodstuffs, development of the overall agro-industrial complex are considered by the Communist and Workers' Parties of these countries as a major task in realizing the policy of steadily improving

the working people's well-being. Taking this into account the plan of the Commission for 1983 and 1984 envisages participation of foreign trade organizations in assisting the realization of comprehensive measures concerned with improving the supply of food-stuffs to the population.

Fulfilling the tasks of perfecting the management of foreign economic activities the Commission contemplated consultations and exchange of experience in the field of foreign trade planning. Wide cooperation of the CMEA member-countries' foreign trade and research institutes will be carried out. This is aimed at the scientific development of questions concerning the realization of the Comprehensive Programme of socialist economic integration, long-term specific programmes of cooperation in foreign trade and studies of the problems of the capitalist world's economic situation.

The significance of timely and full provision of machinery and equipment, being delivered by the countries in mutual trade, with spare parts is increasing in the CMEA countries' cooperation due to realization of the course on the intensification of production and rapid introduction of progressive machinery and technology. In this connection the Commission considered the results of the work on perfecting "The General Principles for Assuring Supplies of Spare Parts. CMEA 1973" and gave corresponding assignments for completing this work.

At the meeting the exchange of information took place on the results of negotiations and about conclusion of the protocols on mutual goods deliveries for 1983 among the CMEA member-countries and also Yugoslavia. Foreign trade ministers agreed to take measures which would speed up the fulfilment of this important work. The protocols on trade turnover for 1983 already concluded demonstrate the further successful development of the CMEA member-countries' mutual trade.

In the course of the meeting the Commission discussed a number of other matters furthering cooperation in foreign trade.

All debates and discussions were held in the atmosphere of brotherly cooperation and mutual understanding.

In conclusion Kh. Khristov, Bulgaria's Minister of Foreign Trade, warmly congratulated the Soviet delegation on behalf of other delegations on the 60th anniversary of the formation of the Union of Soviet Socialist Republics. In his speech he pointed out that that was a great occasion for the socialist community, for all progressive mankind.

In the recess between the meetings of the Commission the delegations visited the Exhibition of the National Economic Achievements and examined with interest the exhibition "In a Close-knit Family" commemorating the 60th anniversary of the formation of the USSR.

Yevgeni Yegoshin.
Tamara Volkova

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CSO: 1812/149

USSR-CEMA TRADE

CEMA MEMBERS' 1983 PLANS UNVEILED

German Democratic Republic

Moscow EKONOMICHESKAYA GAZETA in Russian No 1, Jan 83 p 20

[Unattributed report]

[Text] The sessions of the supreme legislative agencies of the CEMA member countries which were held in recent weeks defined the chief tasks of the socio-economic development of the countries for the third year of the current 5-year plans. A large amount of attention is devoted in the plans to increasing the efficiency and quality of labor, and to the rational use of all material and labor resources. An important place is being assigned to a further deepening of socialist economic integration.

It is planned in the new year to increase the GDR's national income by 4.2 percent. The amount of industrial commodity output will increase by 4.5 percent--chiefly on the basis of a rise in labor productivity which is supposed to increase by 4 percent. The production of agricultural output is slated to increase by one percent.

In industry outstripping development rates will be preserved for the branches which determine scientific and technological progress--machine building, chemistry, and power engineering. It is planned to produce more than 105 billion kilowatt-hours of electric energy, 270 million tons of brown coal, and more than 50 million tons of brown coal briquets.

The economizing and rationalization of the consumption of fuel and raw materials will continue to be the basic source for obtaining additional energy raw material resources. The specific consumption of energy will be decreased during the year by a minimum of 4.2 percent, rolled goods in metalworking by 10 percent, and cement in construction by 6 percent.

Capital investments in the GDR economy will reach 47 billion marks. They will be assigned primarily for the development of the country's fuel and energy and raw materials enterprise, for increasing its export potential, and for speeding up scientific and technological progress.

In metallurgy the task is being set of increasing the proportion of high quality types of products, and of a fuller use of existing raw materials and a utilization of waste products. The production of ready rolled goods will increase to 8.5 million tons, of which 5.3 million tons will be accounted for by output with a high processing level.

In machine building especial attention is being devoted to the production of metal-cutting machine tools, equipment for cold rolling, and machinery and equipment for the textile, garment, and leather industries. There will be a substantial increase in the production of elements for micro-electronics, and of instruments and equipment for the control, regulation, and management service.

In the chemical industry there will be a continuation of the accelerated production of low tonnage chemical products with a high degree of processing. The production of plastic with improved properties, synthetic fibers, and photo-chemical and perfume and cosmetic products will increase. In the field of agriculture efforts and resources will be concentrated on an intensification of cropping and on increasing the yield of the basic crops. It is planned to harvest 10.3 million tons of grain crops—an average of 39.5 quintals per hectare.

The course aimed at raising the material and cultural levels of the population is continuing. Around 188,000 apartments will be built and modernized during the year. It is planned to increase the population's net monetary income and the amount of retail trade by three percent.

A further deepening of economic integration with the Soviet Union and the other fraternal socialist countries continues to be one of the important preconditions for the stable economic and social development of the GDR. The republic's foreign trade will increase by 13 percent.

Hungary

Moscow EKONOMICHESKAYA GAZETA in Russian No 1, Jan 83 p 20

[Unattributed report]

[Text] The top-priority tasks of economic work in 1983 consist in ensuring a strong balance in the country's economy. In order to achieve the goals which have been set it will be necessary to have a more intensive than hitherto increase in production efficiency, an acceleration of technical development, and an expansion of exports.

In 1983 a relatively small increase in national income is planned—approximately 0.5-1 percent. It is planned to substantially increase export allocations.

Capital investments will be directed primarily toward completing the construction of already begun projects, reequipping, and economizing raw materials and energy.

It is planned to increase gross industrial production by one-two percent. Hungarian industry, especially its machine building, chemical, and light branches, has been given the task of substantially increasing the production of output which is competitive on world markets. It is planned to increase the domestic production of parts, units, and also consumer goods which will replace imports for convertible currency.

In 1983 it is planned to stabilize energy consumption in Hungary at the 1982 level. It is planned to accelerate the realization of an energy program aimed at increasing the efficiency of the use of fuel and electric energy.

Gross agricultural output is supposed to increase by one-two percent.

It is planned to increase the average wages of workers and employees, and also of members of agricultural production cooperatives by 3.5-3.8 percent, with an average planned increase in retail prices of 5 percent.

In 1983 it is planned to build 75,000-77,000 new apartments.

Paramount importance is attributed to expanding and deepening trade and production cooperation between Hungary and the Soviet Union and the other CEMA members.

Romania

Moscow EKONOMICHESKAYA GAZETA in Russian No 2, Jan 83 p 20

[Unattributed report]

[Text] This year it is planned to increase the country's gross national product by 4.1 percent and its national income by 5 percent. Industry will develop at outstripping rates: compared to 1982, its net output will increase by 8 percent, while its commodity output will increase by 6.6 percent. The planned increase in industrial production will be achieved primarily on the basis of a rise in labor productivity. In order to achieve the planned indicators the necessity is being emphasized for strict compliance with rhythmic production and material and technical supplies, a rise in the use level of installed equipment, and a strengthening of labor discipline.

The fuel and raw materials base will be further developed.

A great deal of attention is being devoted to the development of agriculture. A further strengthening of its material and technical base, an expansion of sown areas, and an improvement of labor organization will make it possible, it is expected, to increase the production of grain crops to 25.3 million tons.

A characteristic feature of the plan for 1983 is the fact that its indicators for output increases in the branches of material production have to be attained with a minimum increase in capital investments--0.7 percent compared to 1982.

Romania's participation in the international division of labor is being activated. Foreign trade will increase by 13.5 percent. Outstripping development rates for exports combined with import restraint is a highly important task in the field of foreign economic relations. Production cooperation, especially with the CEMA countries, is playing an increasingly important role.

The real wages of workers and employees will be increased by four percent. It is planned to build around 180,000 apartments, including 150,000 with government funds.

Bulgaria

Moscow EKONOMICHESKAYA GAZETA in Russian No 2, Jan 83 p 20

[Unattributed report]

[Text] In the coming year it is planned to increase the republic's national income by 3.8 percent, and this will be done entirely on the basis of a rise in labor productivity. The plan provides for an increase in the shift coefficient, a more efficient use of production capacities, and also a more economical expenditure of energy and raw materials.

Capital investments in the economy will come to 7.5 billion leva, of which 5.4 billion will be assigned for material production. Great importance is being attributed to a concentration of capital investments, the accelerated commissioning of fixed capital, and a decrease in incompleting construction.

The amount of industrial output will increase by 4.8 percent. Compared to the previous year, the production of electric and thermal energy will increase by 5.2 percent, chiefly on the basis of atomic energy and thermal electric power stations operating with local coals.

An accelerated development of machine building and electronics is envisaged. In 1983 the output of this branch of industry will increase by 9.1 percent.

Chemical industry output will increase by 9.7 percent. The production of synthetic rubber, plastic, synthetic resins, perfume and cosmetic products, sulphuric acid, mineral fertilizers, and others will develop at the most rapid rates.

Agricultural output will increase by 2.7 percent. Basic attention is being given to a further increase in the production of food grains and of fodder. It is planned to expand irrigation areas, increase deliveries of equipment and fertilizers, and to bring about structural changes in grain production.

An improvement of the transportation system will continue. It is planned to increase the amount of freight hauls in 1983 by 5.6 percent. The conditions are being created for the accomplishment of the task of a preferential development for railroad transport, the modernization of rolling stocks, and a further electrification of railroads.

Real per capita income will increase by 2.8 percent.

An outstripping growth of commodity allocations and services for the population compared to buying power will be continued. Compared to last year, retail commodity turnover will increase by 4.1 percent.

During the year it is planned to build 73,000 new apartments.

Foreign trade turnover will increase by eight percent. The chief attention in Bulgaria's foreign trade relations will be given to a further deepening of socialist economic integration and to a comprehensive alignment with the Soviet Union.

Mongolia

Moscow EKONOMICHESKAYA GAZETA in Russian No 3, Jan 83 p 20

[Unattributed report]

[Text] During the new year it is planned to increase the national income of the Mongolian People's Republic by 7.6 percent.

In 1983 the productivity of social labor will increase by 5.4 percent, which is supposed to provide for almost 70 percent of the increase in national income.

Compared to 1982, agricultural output will increase by 9 percent, including 4.9 percent for animal husbandry output, and 21 percent for cropping output.

It is planned to raise no less than 9.4 million head of young cattle. It is planned to procure 980,000 tons of feed units.

The grain harvest is slated to be no less than 600,000 tons, and that of potatoes and vegetables--124,000 tons. Virgin lands amounting to 98,000 hectares will be developed. Agriculture will be supplied with 390 grain harvesting combines and 1,000 tractors.

In order to further strengthen the material and technical base of agriculture it is planned to assign this branch 30 million tugriks more in capital investments than was mapped out by the 5-year plan.

Compared to 1982, the production of gross industrial output will increase by 10.3 percent. The largest increase in production is expected in such branches as nonferrous metallurgy, fuel and energy, metal-working, the light and food industries, and the production of construction materials. Labor productivity in industry will increase by 3.3 percent. A great deal of attention has been devoted in the plan to improving output quality.

During the planning year the country's economy will have assigned to it more than 19,000 specialists with a higher and secondary specialized education, and

also qualified workers. In addition, it is planned to distribute 11,000 graduates of the general educational schools in production.

The Mongolian People's Republic's foreign economic relations are being broadened, above all with the CEMA countries. Work on the construction of a number of new objects in various branches of the economy and on the reconstruction and reequipping of enterprises will be continued with the technical and economic assistance of these countries.

It is planned to carry out a complex of measures to further improve the material and cultural standards of the country's people. It is planned to increase the population's monetary income by five percent.

Poland

Moscow EKONOMICHESKAYA GAZETA in Russian No 3, Jan 83 p 20

[Unattributed report]

[Text] With regard to the difficulties which are being experienced by the economy of the Polish People's Republic a 3-year economic plan for 1983-1985 has been worked out in the country. The tasks for 1983 provide for a certain increase in national income and industrial production in relation to 1982 during the second half of which the decline in the basic economic indicators which had begun in 1980 was stopped, while in a number of branches there was an increase in production.

It is planned to increase the national income of the Polish People's Republic in the new year by 2-2.5 percent. It is planned to bring about this increase chiefly on the basis of increasing the production of industrial output by 3.7-4 percent.

The mining of hard coal (which came to 201 million tons in 1979, 163 million in 1981, and 190 million tons in 1982) is supposed to be stabilized in the coming year at the 1982 level. It is planned to achieve a certain increase in the production of other basic types of raw materials and materials for industry.

In the processing industry the sub-branches and types of productions which assist in the accomplishment of the top-priority socio-economic tasks of the plan for 1983 will develop at outstripping rates.

Especially attention has been devoted to an increase in agricultural production in the 1983 Plan. It is planned to increase the gross output of this branch by 1.5-2.4 percent, including 5.1-6.9 percent for cropping. It is planned to harvest 21.2 million tons of grain crops--approximately as much as in 1982.

Capital investments amounting to 960 billion zlotys are being assigned chiefly for the development of the priority branches of the Polish economy: housing construction--29 percent of the total, the food complex--28 percent, and the

fuel and energy base--13.5 percent. The 1983 Plan has also had singled out in it 73 large objects which are being built on the basis of centralized financing sources. They include the "Belkhatuv" Energy Complex, the "Zharkovets" Atomic Electric Power Station, the "Opole" Thermal Electric Power Station, and also an expansion and modernization of the "Ursus" Tractor Plant and the nitrogen and phosphorus fertilizer production complex at the "Politse" Combine.

It is planned for there to be a consistent realization of the policy aimed at expanding foreign trade and other forms of economic cooperation with the CEMA countries, and, above all, with the Soviet Union.

Vietnam

Moscow EKONOMICHESKAYA GAZETA in Russian No 3, Jan 83 p 21

[Unattributed report]

[Text] The economy of the Socialist Republic of Vietnam continues to experience severe consequences from the armed aggression by American imperialism. The realization of the republic's socio-economic development tasks for the new year should help to further overcome these consequences and make a new contribution to the construction of a socialist society throughout the country's entire territory.

In accordance with the plan for 1983, the chief attention will continue to be given to a further development of agriculture whose gross output will increase by nine percent.

The production of food crops in terms of unrefined rice will reach 17 million tons, compared to 16.2 million in 1982.

Swine herds will increase to 11.6 million head and cattle herds to 4.46 million heads; that is, compared to 1982, there will be an increase of 7 and 4.4 percent, respectively.

State procurements and purchases of food crops will come to 3.6 million tons, compared to 2.9 million in 1982.

Gross industrial output will increase by 10 percent.

State centralized capital investments will increase by 19 percent. It is planned, in particular, to begin operations on the first 100,000-kilowatt unit at the "Falay" Thermal Electric Power Station, the second 600,000-ton stage of the Bimshon Cement Plant, the 1.1 million-ton Khoangkhat' Cement Plant, spinning mills in Khan'ye, Nyachang, and Vinh with a total capacity of 250,000 spindles, the Langa Sugar Plant which has the capacity to process 2,000 tons of sugar cane a day; and 220,000 square meters of living space will also be put into operation.

Compared to last year, labor productivity in industry will increase by six percent, in capital construction by seven percent, and in transportation by six percent.

It is planned to further develop foreign economic relations. In particular, exports will increase by 1.5 times, including agricultural output by 83 percent, and the output of the extracting industry by 67 percent.

Retail commodity output on the organized market will increase by 11 percent during the year.

In 1983 the new economic regions will have 200,000 people assigned to them.

The number of pupils in general educational schools will reach 12.3 million. The skilled worker training system will admit 108,000 people.

Czechoslovakia

Moscow EKONOMICHESKAYA GAZETA in Russian No 3, Jan 83 p 21

[Unattributed report]

[Text] The plan provides for an acceleration of the rates of economic development chiefly on the basis of intensive growth factors, a more effective use of the results of scientific and technological progress, the consistent realization of measures to economize fuel, energy, and raw materials, the realization of the program for progressive changes in the branch structure of production, and a deeper inclusion of the Czechoslovakian Socialist Republic in the international socialist division of labor.

This year the increase in national income will come to two percent. It will be achieved primarily on the basis of an increase in production in the basic branch of the material production of the Czechoslovakian Socialist Republic--industry whose gross output is supposed to increase by 2.4 percent. Compared to the previous year, it is planned to increase construction work by two percent. The structural changes in industry are being determined by the outstripping growth rates in its advanced branches, and also in branches which are less energy and materials intensive and are provided with their own raw materials.

The key branch of industry--machine building--will increase production during the year by 4.8 percent.

A large amount of attention is being given to the development of the fuel and energy branch which is receiving a substantial part of the industrial capital investments (during the first three years of the current 5-year plan 36 percent of the total capital investments in industry was assigned here). Coal mining is supposed to reach 124.5 million tons, and the production of electric energy--75 billion kilowatt-hours. At the end of the year it is planned to begin operations at the 440-megawatt first energy block of the second atomic electric power station in Yaslovskiye Bogunitsty.

In agriculture a further intensification of production is planned, and this will help to accomplish the task of the gradual attainment of self-sufficiency in grain crops and animal husbandry output. It is planned to increase the amount of gross agricultural output by 2.7 percent. The grain crop harvest is slated to be 11 million tons.

Personal consumption will increase by 1.3 percent, and social consumption will increase in connection with a simultaneous decrease in the accumulations fund. The population's monetary income will grow by two percent.

A characteristic feature of this year's plan is the further development of economic cooperation with the CEMA countries, especially with the Soviet Union. Commodity turnover with the socialist countries is planned to increase by more than eight percent. Great importance is being attributed to the realization of a production specialization and cooperation program with the Soviet Union in the field of machine building.

2959

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ACADEMICIAN BOGOMOLOV DISCUSSES CEMA AFFAIRS

Budapest MAGYAR HIRLAP in Hungarian 11 Mar 83 p 7

/Interview with Oleg Tyimofeyevich Bogomolov by Istvan Matko and Hanna Szalay:
"With a Common Strategy; Moscow Interview With Academician Bogomolov; Crucial
Questions of Guidance and Integration"

/Text/ How are they thinking in the Soviet Union about the world political and world economic challenges of the 1980's? How will these affect the Soviet economy and CEMA cooperation. We sought answers to these questions in Moscow. Academician Oleg Tyimofeyevich Bogomolov, director of the Socialist World System Economic Institute of the USSR Academy of Sciences, answered the questions of the selected colleagues of our journal, Istvan Matko, chief of the economic policy column, and Hanna Szalay, our permanent Moscow correspondent, first, in regard to CEMA. Then Academician Vadim Aleksandrovich Trapeznyikov, director of the Guidance and Automation Technology Research Institute of the Soviet Academy of Sciences, answered the questions pertaining to the Soviet economy. The interview with V. A. Trapeznyikov will be published in our issue tomorrow.

/Question/ On its 40th anniversary the socialist community will find itself facing a new situation--and this pertains to its external and internal system of contacts alike. Last year, at an international economic conference held in Austria, you said that both the socialist national economies and CEMA cooperation itself must adjust to the new situation. What do you consider to be most important in this, with special regard to the fact that a conference of the CEMA countries will be held in the near future at the highest level?

Convertability, Value Stability

/Answer/ One cannot give a simple answer to this. In my opinion very much must be done if our cooperation is to be more effective and have a more favorable effect than heretofore on the development of every single member state. Thus there is a need for new, joint decisions in economic strategy; concrete directions for this must be worked out and we must improve the mechanism, the

exchange conditions for cooperation. The perfection of contacts involves an entire series of things to be done, things which are well known to us already. To stress the most important: A substantially higher level of harmonization than heretofore in the strategy of development. I would include here energetics, improving the technical level, and the production and supply of foodstuffs and consumer goods. It is not by chance that preparatory talks are underway now about those documents which will be proposed to the highest level conference for adoption.

/Question/ Do you not think that a modernization of the financial system of CEMA belongs among the strategic questions? To a large extent cooperation depends on financial contacts, on the functioning of the common exchange. How can one strengthen the role of the transferable ruble in the interest of improving the cooperation of the member countries?

/Answer/ This is a very difficult question which I can answer with my personal opinion, since a position which can be called final has not yet developed in this question. Many would answer your question this way: The problem is not to increase the role of the transferable ruble or strengthen its financial function, but rather a better supply of good quality products for the market of the CEMA countries. Well, this is true in part, because as more and better quality goods appear on the market it will be easier to solve the other problems, including the financial and credit problems too. Every exchange is more stable as more commodities or gold cover stand behind it. But we also know that the system of international accounting has an effect on the flow of goods, on the division of labor, and the more perfectly organized the system of mutual accounting the more lubricated is the cooperation in every area in the integration processes. Unfortunately, as I see it, we cannot yet say that the transferable ruble /TR/ and the mechanism for its use are sufficiently thought out and perfect. An entire series of questions, in connection with the function of the TR, are fixed in regard to the national currencies of the CEMA countries. Finally, practice shows that a part of the deliveries among the member countries is above the quotas in convertible exchange. Because of this also there is a need to perfect as soon as possible the system of mutual accounting.

The TR must be made more genuinely a thing of equal value; this would effectively stimulate the integration process. This would certainly mean an economic advantage to the member countries. What must be done to achieve this in practice? I cannot yet say because there is need for much common work to formulate the answers. I presume that this will be done because common activity in this direction has begun, and it would be good to accelerate it. The ultimate goals remain those defined by the Complex Program; we must strive to ensure the convertibility of the TR in regard to the national and western currencies. This, naturally, is not a task for the near future. First we must have balanced, and then active trade balances with third countries, and we must ensure the value stability of the transferable ruble too. The prices of products being delivered to one another are constantly rising and we have no mechanism which would balance out the credit losses. This also calls attention to the fact that we must also modernize our credit relationships. As we know, credits are now given to first class debtors on the world market

at interest rates of 10-12 percent, but this has been a good bit higher too. At the same time there are great differences between the credit extension relationships on the world market and within CEMA. I do not mean to say that we should adopt these relationships. On the contrary, our relationships are based on a mutual guaranteeing of preferences. Economically, however, they must be well founded and rational.

With Open Cooperation

/Question/ Could raising CEMA cooperation to a higher level mean a turning inward of our community?

/Answer/ We never strove for collective autarky. On the contrary. We regard contacts with other parts of the world--with the developing countries and with the developed capitalist countries--to be important preconditions for peace and detente, indeed for the economic development of every participant on the basis of mutual advantages. We feel that this corresponds to the interests of all mankind, and not only those of the socialist countries. Recently, however, the situation has changed in connection with countries with differing social systems. Capitalism is going through its most serious crisis since the Second World War, tendencies directed at weakening or restricting contacts are strengthening in the policies of several capitalist powers, primarily in the policies of the American regime. We cannot act as if we did not notice this process, we cannot not react to it. In regard to business cooperation maintained with western countries the socialist countries are now taking into consideration these aspirations--primarily the processes, the changes taking place in the world economy. What is most essential is that we still want to expand cooperation with them on the basis of mutual advantages and mutual respect for interests, because the tendency to weaken the east-west mutual economic effect does not correspond to the requirements of the future or the interests of the world. The CEMA countries are trying to bring about a result contrary to this trend. East-west cooperation and business contacts should be extended to areas in which we could occupy more advantageous positions. Some Hungarian economists feel that we should take more offensive positions--take more initiative--in contacts with the West. This is correct, but it is not easy, especially if every CEMA country tries to do it alone because the protectionist barriers are extraordinarily high in the West. In addition, the competition is very keen. And if we want to go onto the Western markets--not with such products as foodstuffs, or fuel or raw material--then we must achieve a very high technical level and must show great flexibility in regard to the demands of the importers. So strengthening integration serves not only the goals of the internal contacts, it also improves our competitiveness on the world market.

Uniformly, Voluntarily

I would like to emphasize another side of the problem. We must draw certain conclusions from other experiences with East-West contacts, and from this viewpoint the cooperation of the 1970's and 1980's is very instructive. Let us consider, for example, indebtedness or the problem of industrial cooperation. The latter did not always prove so advantageous as we had reckoned. It is my

feeling that there is a need for greater harmonization of the strategic approach among CEMA countries in this area also. Those guiding the leading capitalist powers--the Seven--meet each year and are meeting this year also in May, in Williamsburg in the United States. They meet each year to work out their common economic policy approaches, primarily their policy in connection with the socialist countries. At these meetings the United States tries to force its NATO partners and Japan to adopt the hard economic policy line of the United States in regard to the CEMA countries, to get them to accept the idea that economic contacts should be changed into a tool for political goals. And independent of the fact that the allies of the United States do not share this view, that is, they defend their own position, the coordination of the treatment of economic contacts--maintained with the socialist countries--is still strengthened among the Western countries. This fact certainly shows the necessity of the recognition that the CEMA countries should not defend themselves against unfriendly steps one by one. They must work out an active, offensive, consistent collective policy to oppose this.

Of course, it is a complicated question how we can oppose the deliberate burdening of contacts, the harm caused to us. I believe that here also we must work out a joint strategic method of handling it. This does not mean that a common position is needed in every question of detail. This is not possible. But in the large questions of principle uniform, voluntarily developed action would be desirable already.

8984

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TRADE WITH INDUSTRIALIZED COUNTRIES

TRADE WITH WESTERN EUROPE HIGHLIGHTED

Moscow SOVIET EXPORT in English No 5, 1982 pp 2-8

[Article by V.I. Simakov, head of Department for Trade with Western Countries, Ministry of Foreign Trade of the USSR]

[Text]

Western Europe has an important place in the system of the USSR's foreign economic relations. Business co-operation with West European countries rests on the principles of peaceful coexistence of states with different social systems, and promotes international detente. The Soviet Union builds up mutually profitable trade, economic, scientific and technical relations with all the West European countries that seek co-operation with us. The agreements concluded are being put into effect, and new ones are signed to carry out, by joint effort, large-scale projects in various spheres of the national economy.

The USSR's trade with West European countries has now reached a high level, thanks, in no small measure, to the achievements of the policy of detente in the seventies. This trade, resting on a solid legal basis, is marked by stability and a trend for expansion.

In 1976—1980, our trade with West European countries developed faster than Soviet foreign trade as a whole. It grew more than 2.2 times over, from 11,500 million roubles in 1975 to 25,400 million roubles in 1980, while the USSR's total foreign trade turnover grew by 85%. West European states now account for 80% of the Soviet Union's

trade with industrialised capitalist countries and for 27% of the entire volume of Soviet foreign trade.

Our biggest trade partners in West Europe are the FRG, Finland, France, Italy and Britain.

The USSR exports to Western Europe large quantities of raw materials and semifinished products. Most of the exports are energy-producing raw materials: oil, oil products and natural gas, to name a few. In 1980, for instance, these constituted three-quarters of our total exports to Western Europe. Other major export items are timber and woodpulp, cotton, chemicals, ferrous metals, furs, etc.

The rapid development of Soviet mechanical engineering is conducive to the broadening of machinery exports. Over the last decade, the export of Soviet machines and equipment to West European countries more than tripled, its worth reaching 264 million roubles in 1980. The USSR exports to Western Europe machine tools, electrical and metallurgical equipment, motor vehicles, tractors, ships, ball bearings and other engineering products.

The joint-stock trade companies set up in West European countries by local firms and Soviet foreign trade organisa-

tions have the purpose of boosting Soviet export sales abroad. In Finland, for instance, these are the Konela car sale and service company and the Koneisto company specialising in industrial equipment; in Belgium, Scaldia-Volga which assembles and sells cars; in France, Actif-Avto sells and services tractors and other farm and road building machinery, while Stanko-France sells machine tools and Slava timepieces and instruments. In Italy there is the Stanitaliana joint-stock company selling and servicing machine tools; in Britain, Technical and Optical Equipment (TOE) trading in cine and photo cameras and optical instruments, and Umo Plant, selling road building machines, excavators and trucks...

For the time being, however, the volume of Soviet machinery and equipment exports falls short of the trade partners' potentialities in the field.

As far as our import from West European countries is concerned, we buy chiefly machines and equipment (40%). Their import grew 2.5 times over the last five years. In 1980, we increased the import of metalcutting lathes and forging and pressworking equipment, as well as of farm machines. Other big import items are ferrous rolled stock, pipes, chemicals, food and other consumer goods.

In 1980 and 1981 the USA in a discriminatory action curtailed trade with the Soviet Union. The US tried to impose this policy on its NATO allies.

But most West European countries rejected it. Our trade and economic relations with those West European countries that showed realism in their business dealings with the USSR, continued to develop. Many Western countries sought more trade with the Soviet Union and took steps in this direction. Against the background of economic difficulties and growing protectionism in the West, trade with the Soviet Union has become an important stabilising factor for the economies of many West European countries.

Large-scale long-term co-operation remains a characteristic feature of our trade and economic links with West European countries. Over the recent years, serious work has been carried out to strengthen the legal basis of these links—more than thirty agreements, co-operation programmes, protocols and other documents (long-term, for the most part) on trade, economic and industrial co-operation have been signed with Austria, Greece, Denmark, Italy, Finland, the FRG, France, Sweden, Switzerland, Norway, etc.

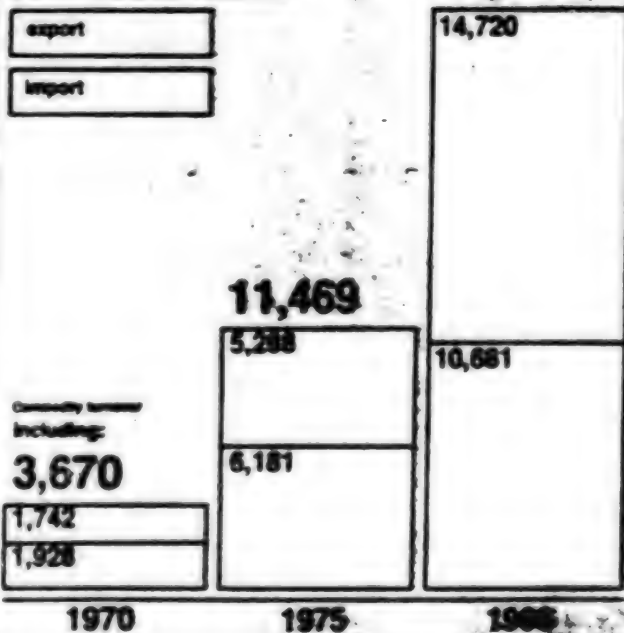
Mixed intergovernmental commissions for trade, economic, industrial, scientific and technical co-operation have an important role to play in the development of business links with West European countries. These commissions, of which there are now sixteen, are a new type of instrument designed to deepen business relations between countries with different socio-economic systems. The working and expert groups functioning within the framework of such commissions, carry out numerous activities in their respective spheres of co-operation.

The last 5-year period saw these commissions gather in session 70 times. The mixed Soviet-Austrian commission for economic, scientific and technical co-operation, for instance, at its 13th session endorsed measures to be taken in 1981—1983 to implement the provisions of the Long-Term Programme for the development and deepening of economic, scientific, technical and industrial co-operation between the USSR and Austria in 1981—1990. Concrete spheres of co-operation between the two countries were outlined, in particular, the furthering of Soviet-Austrian trade, the broadening of industrial co-operation, and the designing and building of various installations in the USSR and Austria by joint effort.

COMMODITY TURNOVER BETWEEN THE USSR AND ITS MAIN TRADE PARTNERS IN WESTERN EUROPE, mln. roubles

Countries	1970			1975			1980		
	commodity turnover	export	import	commodity turnover	export	import	commodity turnover	export	import
FRG	544	223	321	2,777	858	1,919	5,780	2,859	2,921
FINLAND	531	258	273	1,755	918	837	3,888	2,023	1,865
FRANCE	413	128	287	1,297	496	801	3,753	2,243	1,510
ITALY	472	191	281	1,427	638	789	3,034	2,101	933
BRITAIN	641	418	223	959	591	368	1,812	859	953
NETHERLANDS	223	151	72	451	304	147	1,388	1,027	361
BELGIUM	149	74	75	530	244	286	1,225	842	383
AUSTRIA	155	67	88	445	218	227	976	560	396
SWITZERLAND	95	25	70	323	90	233	848	445	403
SWEDEN	235	105	130	545	289	256	677	355	322

THE SCOPE OF THE USSR'S FOREIGN TRADE WITH WEST EUROPEAN COUNTRIES, mln. roubles



GROWTH IN EXPORTS OF INDIVIDUAL SOVIET COMMODITIES TO WESTERN EUROPE

	1970	1980	1980 in % to 1970
Machines and equipment, mln. roubles	79	263	333
including:			
cars, thous. units	8	59	699
Oil and oil products, mln. roubles	458	9,101	1,987
Natural gas, mln. roubles	13	1,851	14,400
Solid fuel, mln. roubles	87	258	297
Chemicals, mln. roubles	36	303	842
Cotton, thous. tons	28	137	489
Household goods, mln. roubles	11	49	430
including:			
clocks and watches, thous. pcs	2,440	6,135	251
photo cameras, thous. pcs	136	287	211



Large-diameter pipes are among the most important items of the USSR's import from the FRG. Photo: pipes being loaded in the port of Bremen (1).

In recent years wider practice has been made of such forms of co-operation as compensation deals, joint construction of industrial and other installations in the USSR and Western countries, and co-production.

The building of the Western Siberia—Western Border of the USSR gas pipeline is the most important large-scale compensation project. It brings substantial benefits to the partners. Under the terms of the deal, the participating firms of Western Europe get large long-term orders for the delivery of complete plant, pipes and materials, while the USSR has committed itself to deliver large amounts of natural gas to them for a long period.

Early in this decade, the total worth of mutual deliveries under compensation agreements between Soviet foreign trade organisations and West European firms amounted to tens of thousands of millions of roubles. There are agreements for the construction in our country of more than 60 large enterprises of the ferrous and non-ferrous metallurgy, chemical, pulp-and-paper, timber, coal, gas and other industries.

Seeking to aggravate East-West relations the US attempted to bring pressure to bear on West European countries and to prevent the project from being carried out. This attempt failed, however, and the "deal of the century" as the project is referred to in the West, goes on in accordance with our plans.

The Soviet Union is ready to develop mutually beneficial co-operation in other fields as well.

We would welcome co-operation in the development and delivery to the Soviet Union of highly efficient machines and equipment capable of saving to a maximum degree raw material, fuel and

energy resources, as well as equipment adapted to the specific operation conditions in various parts of our country. Co-operation with a number of West European countries in the field of electric power generation could stimulate a growth of energy exports from the USSR.

Production specialisation and co-production between Soviet enterprises and Western firms keep assuming ever wider and more complicated forms. A good case in point is industrial co-operation with Finnish firms in the fields of ship-building, atomic power engineering, electric locomotive and paper machine manufacturing; with Austrian firms in the manufacture of welding sets; with French and FRG firms in the field of machine-tool building.

Excellent opportunities for broader industrial co-operation are also offered by such economic fields as power engineering, the chemical industry, mechanical engineering, the light industry and agriculture. The Soviet Union's great research and industrial potential, combined with our West European partners' highly efficient production facilities, could make for a dynamic increase in foreign sales by all sides involved.

The Soviet Union regards trade and economic co-operation with West European countries as the underpinnings of stable relations in the region, as a basic factor for strengthening peaceful coexistence among countries with different social systems and effectively opposing all attempts to undermine the positive process of detente on the European continent.

TRADE WITH INDUSTRIALIZED COUNTRIES

NEW ECONOMIC AGREEMENTS BETWEEN USSR, FRANCE

East Berlin AW--DDR AUSSENWIRTSCHAFT in German 9 Feb 83 p 6

[Text] On January 13, the 17th session of the Permanent Joint Soviet-French Commission came to an end in Paris. Questions regarding trade, economic and scientific-technical cooperation were raised during the discussions. The discussions centered around the prospective relations.

For the time period 1983 to 1985, the commission dealt with and confirmed measures to fulfill the long-term program of strengthening the economic, industrial and technical cooperation for the years 1980 to 1990. A new long-term program of strengthening Soviet-French cooperation in science and technology for the period 1983 to 1993 was worked out.

In the communique about the session, reference is made to the fact that trade and economic relations have developed further in recent times. The bilateral exchange of wares exceeded 11.5 billion rubles from 1980 to 1982. This is 2.5 times more than the sum during the first 3 years of the previous 5-year period. The scientific-technical cooperation has also developed successfully and in accordance with the existing agreements.

The French chairman, Michael Jobert, minister of state for foreign trade, emphasized that the meeting made a new significant contribution to the development of cooperation between both nations. The Soviet chairman, G. I. Martschuk, deputy chairman of the cabinet council and of the national committee for science and technology, emphasized that the Soviet Union will continue to work for the strengthening of relations with France in the areas of economy, science and technology.

A PRAVDA article of January 17 about the economic relations between both countries notes that the number of official business visits has increased noticeably in recent months, and that they are now conducted at a higher level. For example, the French ministers for agriculture, for research and industry, as well as several other important delegations, have visited Moscow and concluded a number of major long-term agreements there.

Among the most significant agreements signed in 1982, the article makes special mention of the 25-year agreement signed in January regarding the delivery of Soviet natural gas to France, and of French equipment for the construction of the Urengoi-Ushgorod pipeline to the Soviet Union, as well

as the long-term agreement about the participation in the Astrakhan gas condensation complex by French firms. In accordance with the latter agreement, France will deliver equipment valued at 2.7 billion francs. It will involve the French Technip firm, which has already participated in the startup of the Orenburg natural gas complex.

According to the article, the trade and economic relations affect many areas. At present, France is third among the Soviet Union's Western European trade partners. Important among the Soviet exports to France are natural gas, petroleum products, lumber, chemical products, motor vehicles, machine tools and agricultural equipment. Among French exports to the Soviet Union are industrial goods, grain, meat, malt, sugar and other agricultural products.

Impediments

In addition to difficulties triggered by crises, other impediments have recently arisen which hinder the further development of bilateral economic relations. For example, France, under pressure by the Reagan administration, last year drastically increased the interest rate on credit granted the Soviet Union for the purchase of French wares from 7.8 percent to 12.6 percent. The export of so-called strategic products to the Soviet Union is also subject to stricter control by NATO and the European Community. Even some foodstuffs and telephone equipment are counted among those wares. The U.S. Government exerts overt pressure on France in efforts to effect a strong reduction in the cooperation between France and the socialist countries in trade and economy. According to PRAVDA, France is opposed to this course. In an interview for LE MONDE, French President Mitterand refers to the "historical continuity" of Soviet-French relations and spoke in favor of their continuing development.

Strong price fluctuations in the petroleum market, as well as inflation, have also affected the extent of trade, especially in the last 2 to 3 years. In spite of that, according to currently available data, last year's trade volume has nearly remained at the 1980 level in terms of monetary value.

The secretary general of the French-Soviet Chamber of Commerce, Jean Fevrier, is optimistic about future prospects in spite of certain difficulties. In his opinion, the situation will improve in 1983, based on the agreements already concluded.

Measures to Improve the Balance of Trade

Regarding France's trade deficit of the past few years, Martschuk told LE MONDE that concrete measures had already been taken in order to assure a better balance. For example, as a result of the October 1982 visits by ministers in the USSR, an agreement regarding the shipment of agricultural and food products by France to the USSR, as well as the development of cooperation in the area of agriculture and industry, was signed. Under

this agreement, the USSR has already purchased grain and food from France. In addition, major contracts regarding the shipment of French equipment, machines, means of transportation and complete factory installations to the Soviet Union up to 1985 have been concluded. In the opinion of the Soviet chairman, efforts on both sides, among them the maintenance of conditions which would favor trade, financing and shipping, are necessary in order to reduce the imbalance.

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CSO: 1826/16

TRADE WITH INDUSTRIALIZED COUNTRIES

SOVIET-JAPANESE TRADE GROWS Apace

Moscow SOVIET EXPORT in English No 5, 1982 pp 34-35

[Article by V.B. Spandarian, Soviet Trade Representative in Japan]

[Text]

Twenty-five years ago the USSR and Japan signed a trade treaty which made for the development of mutually profitable economic contacts.

Today trade and economic co-operation rank prominently in the complex of Soviet-Japanese relations. An important factor in promoting good-neighbour attitudes and co-operation between the Soviet Union and Japan, trade stimulates economic progress and helps raise living standards in both countries. The high economic, research and industrial potential of the USSR and Japan, the mutually profitable and mutually complementary character of their trade, as well as the geographical proximity of the Eastern USSR and Japan, provide the prerequisites for successful development of long-term and large-scale trade links.

This is borne out by the steady progress of the Soviet-Japanese trade and economic co-operation.

Since the trade treaty was signed, the volume of mutual deliveries has grown 100 times to reach 2.7 thousand million roubles in 1980. Since 1966, when the two countries began the practice of five-year trade and payment agreements—that is, when our trade links were made long-term—the commodity turnover has been doubling every five years.

In the past five year period alone (1976—1980), the two-way flow of goods doubled, topping 12 thousand million roubles.

Goods like timber, oil products, cotton, coal, non-ferrous metals, potash salts, seafood, etc., essential to the Japanese economy, predominate in Soviet exports to Japan. In 1976—1980, Soviet foreign trade organisations shipped to Japan almost 40 million m³ of roundwood, 430,000 tons of cotton, nearly six million tons of oil and oil products, and 12 million tons of coal.

In 1980, according to Japanese statistics, the Soviet Union was Japan's biggest supplier of pulpwood and whale meat; second-biggest supplier of potash salt and nickel; and third-biggest supplier of asbestos, cotton, scrap steel; etc.

Soviet goods stimulate Japan's economic progress, and help that country diversify its import of energy resources, raw materials and manufactured goods.

The export of Soviet machines and equipment to Japan is still on a rather low level, falling far short of what we could sell and the other side could buy. This, of course, is due to the specific nature of the Japanese market glutted as it is with Japanese and foreign-made machines and equipment. Nevertheless, many

machines of Soviet manufacture are in steady demand in Japan. These are heavy-duty machine tools, cold pipe rolling mills, installations for the electrohydraulic cleaning of castings, rotary saws, electron-beam welding sets, and measuring microscopes. Many items are supplied in rather large batches. C. Itoh and Co. Ltd. has already purchased more than 1,500 Soviet machine tools. Japanese firms show serious interest in Soviet rotary saws which are unmatched for efficiency. Japan's biggest motor corporations—Nissan, Toyota, Honda—are planning to buy installations for the electrohydraulic cleaning of castings which MACHINOEXPORT has already sold to several Japanese firms.

The broadening of industrial co-operation between Soviet factories and Japanese firms is particularly evident in the machine tool industry.

Some of the goods we have introduced in the Japanese market are practically not imported by that country. AVTOEXPORT has supplied the first consignment of the Lada-2121 cars which have been well received and even found their admirers there. The Dnepr motorcycles are also selling pretty well.

Soviet Ka-26 helicopters are giving an excellent performance in Japan, and recently AVIAEXPORT has delivered a Mi-8 helicopter to Asahi Helicopters, Japan's biggest helicopter company.

Licences for Soviet inventions figure prominently on our export list. Many Japanese firms have purchased licences for Soviet manufacturing processes and equipment in the fields of metallurgy, chemistry and mechanical engineering.

For its part, the Soviet Union imports Japanese goods that are essential to the Soviet economy and that many leading Japanese manufactures seek to export. Our foreign trade organisations are major buyers of Japanese ferrous metallurgy products such as steel pipes, ferrous rolled stock, white tin, as well as of Japanese machines, chemicals and textiles. In 1976—1980 the Soviet Union imported from Japan about 3.2 thousand

million roubles' worth of various equipment, including complete industrial plant, four million tons of steel pipes, 3.2 million tons of ferrous rolled stock, more than 420 million roubles' worth of chemicals, 80,000 tons of man-made fibres and yarn, knitted and sewn goods, and materials for their production to a sum of over 500 million roubles.

The large and steady Soviet purchases keep many Japanese factories working at full capacity and help improve the employment situation.

Over the past five years, for instance, the Soviet Union has contracted Japan for dozens of sets of complete plant: the manufacture involves hundreds of sub-contractors and keeps tens of thousands of factory and office workers employed.

In May, 1981, a new (fourth) five-year trade and payment agreement was signed in Moscow to provide the basis for further progress of trade and economic links between the two countries in the first half of the eighties.

Economic co-operation in developing certain natural resources of Siberia and the Soviet Far East is an important aspect of Soviet-Japanese economic relations.

The fulfilment of the Second General Agreement on Forest Exploitation, under which the Soviet Union supplied timber to Japan in payment for timber industry equipment, was completed in the last five-year period. Also fulfilled is the general agreement on co-operation in the construction of the first phase of Vostochny Port in Wrangel Bay. The two sides are now carrying out general agreements on co-operation in developing the coal deposits of the Yuzhno-Yakutsky basin, and on oil and gas prospecting on the shelf of Sakhalin island. The Third General Agreement on Forest Exploitation was signed in March 1981.

Such general agreements and the credits granted to the Soviet Union in connection with these agreements have enabled us to buy many machines, equip-

ment, industrial materials and consumer goods from Japan.

As part of compensation deliveries under Forest Exploitation Agreements, Soviet organisations have, in turn, exported to Japan more than 20 million m³ of roundwood, about five million m³ of wooden chips and more than three million m³ of long hardwood pulpwood; have started shipping coking coals to Japan under the agreement on South-Yakutian coals; and have increased considerably the carriage of Japanese transit goods via the territory of the USSR using the container wharves of Vostochny Port. The exploration of the Sakhalin shelf has brought encouraging results which make additional deliveries of oil and gas to Japan a realistic proposition.

Along with conventional trade, our two countries have been cultivating of

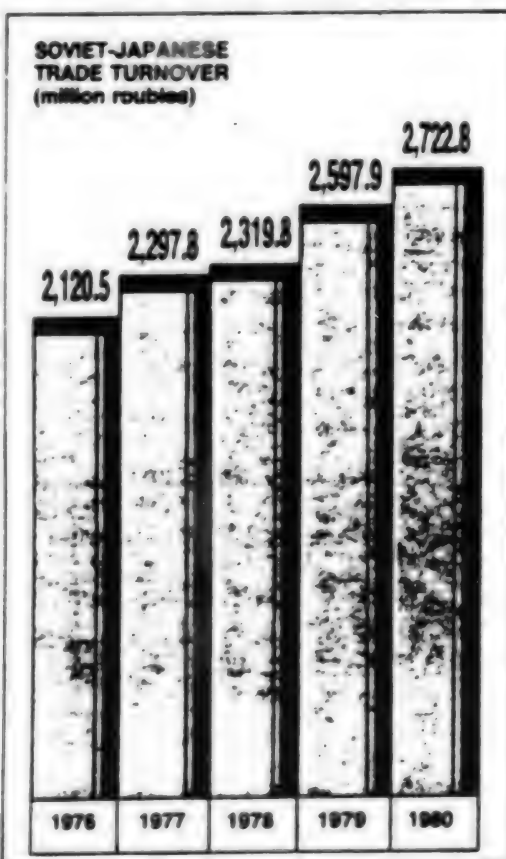
late what is known as coastal trade, which is based on mutual balanced deliveries. More than 130 Japanese firms are now involved in it—mostly small and medium-sized ones, as well as prefectural organisations, associations and co-operative societies in various parts of Japan, including Hokkaido island. In 1980 this trade was worth over 70 million roubles. Dalintorg exports to Japan chiefly timber, power-generating coal, fish and seafood. Japan reciprocates with consumer goods and certain industrial items.

The programme of the Soviet Union's economic and social development in 1981—1985 and in the period ending in 1990 opens up good prospects for Soviet-Japanese economic relations.

The new five-year plan sets really grandiose tasks for a comprehensive development of Siberia and the Soviet Far East. It envisages an accelerated growth of the fuel, electric power, non-ferrous metallurgy, chemical, petrochemical, timber, woodworking, pulp-and-paper and construction industries in Siberia in the eighties. In 1981—1985, the eastern parts of the country will be wholly responsible for any increase in our oil, gas, aluminium and copper output.

The programme for the rapid development of the USSR's eastern regions makes it possible for the Soviet Union and Japan to further their trade and their large-scale long-term economic co-operation.

At a time when the capitalist world is suffering from an ever more acute energy and raw material crisis, from galloping inflation and currency fluctuations, the Soviet Union with its capacious market and fabulous resources is justly regarded by Japanese business circles as a reliable trade partner economic relations with which are not subject to cyclic changes in the market situation. Most Japanese businessmen take a sober-minded and



realistic approach to problems connected with the development of Soviet-Japanese trade and economic co-operation. At the same time, there are certain difficulties in the way of broadening this co-operation. These stem, above all, from attempts by certain quarters in Japan to make the progress of mutually profitable trade with the Soviet Union conditional on the solution of this or that political problem. Development of Soviet-Japanese trade relations is also hampered by there being no long-term agreement on the principles of economic co-operation between the two countries, and by certain organisational issues still awaiting their settlement.

Yet a steady development of Soviet-Japanese trade and economic co-operation provides the very basis on which the two nations could build up strong and truly good-neighbourly relations.

CSO: 1812/94

TRADE WITH INDUSTRIALIZED COUNTRIES

LEGAL ASPECTS OF TRADE WITH WEST VIEWED

Moscow SOVIET EXPORT in English No 5, 1982 p 15

[Article by A.P. Belov, Legal Expert]

[Text] The past decade has been noted for the development of such a form of foreign trade relations as compensation agreements concluded with firms of Western countries. On the basis of such agreements more than 60 large-scale industrial facilities are being constructed in the USSR.

What are these agreements, their legal nature?

There is no clear-cut definition of the concept of a compensation agreement in legal standards. It arose out of the practice of foreign trade turnover.

This article deals with long-term compensation agreements on the construction of large-scale installations.

Such agreements are concluded for long periods of time with a firm or a group of firms of Western countries on purchases, as a rule, on long-term credit terms (from a bank or a firm) of equipment, materials, patents, know-how and other goods used in the development of construction of a new enterprise (or some other project), fully belonging to our state, with repayment of the credit by supplies or a certain part of the goods produced or extracted at such enterprises, or by the provision of services, with a possibility, however, of supplies of similar or other products from other enterprises, if this is necessitated by the specific nature of the agreement or needed to secure most beneficial terms of repayment of the credit.

Products manufactured or extracted at the enterprises constructed on the compensation agreement basis are used for the needs of the Soviet economy and for expanding the Soviet exports potential.

Products do not mean goods only, but also exhibition areas, hotel facilities, services and all other kinds of goods and services used to compensate for the credit expenditure.

Only the presence of all these conditions gives you a genuine compensation agreement. Here it should be borne in mind that a characteristic feature and an attribute of such agreements is not the opportunity in general to sell some goods and utilise the proceeds from their sale to repay credits, but to sell goods at the condition of there existing a chain: contractor—subject of compensation agreement—general agreement.

The contractor to the agreement on the foreign side should be, as a rule, the principal person, i.e. a person responsible for the supplies (or securing the supplies) of the goods on credit for the construction of a facility, for assistance in credit procurement, and for the purchase (or securing the purchase) of the goods the proceeds of which are used by the Soviet side to repay the credit.

A characteristic feature of a compensation agreement is the availability of a common legal document in the form of a general agreement which must contain all the elements mentioned earlier in the definition of the concept of a compensation agreement.

The said chain may vary, but in any case one of its links at least should be present.

The proper legal foundation for the conclusion of compensation agreements is the arrangement between the parties to a transaction, and in many cases such agreements are concluded on the basis of intergovern-

mental agreements on economic, scientific and technical co-operation concluded by the USSR with a number of Western countries (Austria, France, the FRG, Italy and others).

As has already been noted, the basic legal document is a general agreement in the form of a civico-legal contract. In pursuance of general agreement appropriate Soviet foreign trade organisations and foreign firms conclude commercial transactions.

In analysing legal aspects of compensation agreements it is necessary to dwell on legal differences between compensation agreements and the so-called joint ventures. The fact is that in foreign publications and in official international documents the concepts of a compensation agreement and a joint venture which may be interpreted as joint undertaking, are often confused. There are, however, basic distinctions between these concepts.

CSO: 1812/94

TRADE WITH INDUSTRIALIZED COUNTRIES

COMPENSATION PROJECTS SPOTLIGHTED

Moscow SOVIET EXPORT in English No 5, 1982 pp 18-19

[Article by A.S. Ponomarev, deputy head, Main Administration for Compensation Projects with Capitalist Countries, Ministry of Foreign Trade of the USSR]

[Text]

Agreements and contracts providing for extensive co-operation simultaneously in several areas of foreign economic relations—business, finance, scientific, technological and industrial—are becoming practice in world trade. This fully applies to trade between the Soviet Union and industrialised capitalist countries.

Co-operation between Soviet organisations and Western firms involving large-scale projects and embracing all the above-mentioned elements of foreign economic relations, became widespread over the past 10—15 years. This co-operation boils down to the delivery, under long-term contracts, of large quantities of goods to the Soviet Union from industrialised capitalist countries and vice versa: Compensation agreements and contracts constitute the legal basis of this form of trade.

It should be noted that these are neither barter deals, nor a kind of "balanced" trade. Compensation agreements are a new form of trade classified by the UN Economic Commission for Europe as a basic kind of long-term industrial co-operation. This co-operation materialises in industrial enterprises manufacturing products which both partners need at present and will require for a long time to come.

Take, for instance, our co-operation with Japan in prospecting for oil and gas and building accommodation and service facilities on the shelf of Sakhalin Island (USSR). A general agreement, signed in 1975 by the USSR Ministry of Foreign Trade and the Sodeko company representing about 30 Japanese firms, provides for the following joint activities: project financing (with the Soviet side paying all the

expenses in roubles, and the Japanese side granting credits for the purchase and lease of equipment abroad); choosing engineering firms and equipment suppliers; drawing up the programme of work on the shelf; discussing the results of geological prospecting; making engineering decisions; etc. Under the agreement, the Japanese side is to take part in developing the deposits and the Soviet side is to deliver to Japan a certain proportion of the oil and gas extracted from the deposits discovered at the Sakhalin Island. This agreement is being successfully carried out.

It follows from the above that broad industrial co-operation includes many elements which are entirely new to economic relations between the USSR and capitalist countries. This is true of dozens of other major compensation projects. The industrial installations being built on Soviet territory in co-operation with foreign firms include, in particular: a methanol producing complex (with British companies), a complex for the production of ortho- and paraxylol (with French companies), a complex for the production of ammonia and carbamide (with US firms), facilities for the production of polyester fibres and threads, vinylchloride and polyvinylchloride (with FRG firms), for the production of polypropylene and "nitron" artificial fibres (with Italian firms). In the field of metallurgy, Soviet organisations co-operate with West German firms in building the Oskol electrometallurgical mills; with French companies in building the Nikolayev Alumina Works; with French and West German com-

panies in building the Sayany Aluminium Works; with Finnish firms in building the Kostomuksha Mining and Smelting Works.

Co-operation in the field of woodpulp and paper industry, based on compensation agreements, is being effected on a wide scale. The Ust-Ilim Pulp-and-Paper Mill has been built with French firms' co-operation; agreements on the deliveries of roundwood and sawngoods from the USSR to Japan are being carried out. Japanese firms co-operate with us in the development of coal deposits in Southern Yakutia.

The Soviet Union, with its enormous raw material resources, high economic, research and technological potential and skilled manpower, is in a position to develop economic co-operation along the lines of large-scale projects. Soviet foreign policy, aimed at strengthening peace and promoting co-operation with all countries, is noted for its stability, and compensation agreements providing for long-term, large-scale, mutually advantageous and equal co-operation are fully in line with it.

Many firms in capitalist countries have long come to realise that compensation forms of trade are profitable and reliable, as evidenced by the long-term agreements and contracts we have with world-famous companies like Mannesmann, Klekner, Salzgitter, Krupp, Hoechst, Linde (FRG); Rhone-Poulenc, Creusot-Loire, Pechinet, Speichim (France); ENI, Montedison, Nuovo-Pingnone (Italy); Mitsui, Marubeni, Nichimen, Itoh, Nissho-Iwai,

Sumitomo (Japan); ICI (Britain); Occidental Petroleum (USA); etc. Hundreds of small and medium-sized firms in capitalist countries also co-operate with Soviet foreign trade organisations on compensation terms. Long-term contracts enable equipment-producing firms to keep their production facilities and design offices working to full capacity.

Just how interested Western companies are in trading with the Soviet Union on compensation terms is evidenced by a large number of suggestions on their part as to the likely objects of co-operation, as well as by the often multilateral character of business links in large-scale projects.

Under compensation contracts, the USSR gets thousands of millions of roubles' worth of equipment, pipes and materials from capitalist countries. Soviet goods will be exported to those countries on the same scale. In the overall Soviet import of machines and equipment from industrialised capitalist countries, the share of imports involved in large-scale projects constitutes about 25%.

More than 40 large industrial enterprises have been built and put into commercial operation in the Soviet Union with Western companies taking part on a compensation basis. These enterprises include a mineral-fertilizer producing complex of eight ammonia factories with a total capacity of four million tons a year, two carbamide factories putting out one million tons of carbamide a year, and an ammonia duct of 2.5 million tons rated annual capacity; two factories

producing 360,000 tons of high-pressure polyethylene a year, a caprolactam factory with an output capacity of 80,000 tons a year; ethylene, freon, styrene, polystyrene, alumina, low-pressure polyethylene and other factories. Natural gas is being exported to the FRG, France, Italy and Austria along pipelines built on compensation terms.

Most of the output of the above-mentioned enterprises goes to meet our country's needs, and the rest is exported in repayment of credits with interest. By agreement, export deliveries can be continued after the credits have been repaid so that the recipient country could get a stable supply of the goods it needs.

The USSR and a number of Western countries have signed long-term agreements on economic, scientific and technical co-operation which provide, in particular, for a co-ordinated solution of fuel, energy and raw material problems.

The Soviet Union's oil, gas and other energy resources are concentrated in the north-eastern parts of the country and their further development requires substantial capital investments. Our country can well develop these resources on its own, but it is more rational, however, to resort to an international division of labour which effects a saving of time, above all. At present, contracts are being negotiated and signed with West German, French, Italian, Japanese, British, Dutch, Belgian, Austrian and other companies for the delivery of pipes and equipment required to build a gas pipeline from Siberia to the Western border of the USSR.

Under the so-called "New Gas Project", 40 thousand million cubic metres of natural gas will be piped to Western Europe annually. In 1981, V/O SOYUZGAZEXPORT and the Ruhrgaz AG company (FRG) signed an Agreement on the Basic Terms of Natural Gas Delivery from the USSR to the FRG which provides for an annual delivery of more than 10 thousand million cubic metres of gas over a period of 25 years. An agreement on the delivery of Soviet natural gas has also been signed with the Gaz de France company.

The Yakutian Gas Project is being implemented on the basis of a compensation agreement. Enormous amounts of natural gas are concentrated in the basins of the Lena and Vilyui rivers, Southern Yakutia. At a preliminary estimate, its resources there constitute nearly 14 trillion m^3 . The project involves co-operation between the USSR, Japan and the USA in the geological survey of the Yakutian gas beds, with each participating state subsequently getting 10 thousand million m^3 of liquefied natural gas from Yakutia annually over a period of 25 years.

A tripartite General Agreement on joint geological survey was signed in 1974 by the Ministry of Foreign Trade of the USSR, the firms El Passo and Occidental Petroleum (USA), and the Japanese company Siberian Natural Gas, representing a number of big firms such as Tokyo Gas, Nippon Steel, and others. After a while, however, the agreement was suspended in view of the policy pursued by the US government. As a result, the US and Japan have lost, for an

indefinite time, a reliable source of rather large amounts of natural gas.

Compensation agreements or co-operation in carrying out a number of other major energy projects are being negotiated with Western companies. In particular, joint activities are being discussed in surveying and developing oil and gas deposits on the Barents Sea shelf. Co-operation in obtaining liquid fuel from Kansk-Achinsk brown coal, the resources of which are estimated at hundreds of thousands of millions of tons, is extremely promising. Foreign companies' expenses will be compensated for by the deliveries of diesel oil and gasoline from a refinery to be built through joint effort.

The construction of the Baikal-Amur Railway which will stretch across an area rich in mineral and timber resources opens up great prospects for compensation deals. In particular, it has become possible to resume negotiations on the development of the unique Udokan copper deposits on compensation terms. At one time, these negotiations had been suspended—the necessity to lay a 800-km-long railway track to Udokan made the project unprofitable. Now the BAM railway runs past the deposits.

Negotiations are being conducted with Western firms on long-term co-operation in dozens of projects involving the mechanical engineering, building, light, food, timber and pulp-and-paper industries...

Stable compensatory co-operation contributes, in the final analysis, towards improved well-being in all the countries concerned.

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